

In kickback schemes, a contractor or subcontractor misrepresents the cost of performing work by secretly paying a fee for being awarded the contract and therefore inflating the job cost to the government.

Recognize and Report Fraud in Federally Funded Programs, Contracts, and Grants

(800) 424-9071

U.S. Department of Transportation Office of Inspector General

## Selected "Red Flag" Indicators of Kickbacks

- Unexplained or unreasonable limitations on the number of potential subcontractors contracted for bid or offer
- Continuing awards to subcontractors with poor performance records
- ✓ Nonaward of subcontract to lowest bidder
- ✓ "No-value-added" technical specifications that dictate contract awards to particular companies
- Non-qualified and/or unlicensed subcontractors working on prime contracts
- Poor or no established contractor procedures for awarding of subcontracts through competition
- ✓ Kickback amount is passed on to the Government
- Lack of separation of duties between purchasing, receiving, and storing
- ✓ Purchasing employees maintaining a standard of living exceeding their income

## Contact OIG using any of the following methods:

Online complaint form: www.oig.dot.gov/hotlineform.jsp

**Telephone:** (800) 424-9071 **Fax:** (540) 373-2090 **E-mail:** hotline@oig.dot.gov

Mail: USDOT Inspector General

P.O. Box 708

Fredericksburg, VA 22404-0708

Note: The OIG Hotline is obligated to expeditiously forward all safety-related complaints to USDOT's safety regulatory agencies for action, as appropriate.

